

## THE TRANSPARENCY ACT - STATEMENT

Adopted by:	The Board of Directors of Carnegie AS
Date:	13 June 2024

### 1 BACKGROUND

This statement has been prepared by Carnegie AS (**Carnegie/we/us/our**) in accordance with The Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (**Transparency Act**). The Transparency Act mandates that a range of larger enterprises work to prevent and address adverse impacts on people and society. Additionally, these enterprises must provide the public with information on how they manage negative consequences related to fundamental human rights<sup>1</sup> and decent working conditions<sup>2</sup>.

With reference to Section 4 of the Transparency Act, Carnegie carries out due diligence assessments in accordance with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct<sup>3</sup>. This is done by identifying and assessing actual or potential adverse impacts on fundamental human rights and decent working conditions that Carnegie has either caused or contributed to, or that are directly linked to Carnegie's business activities/operations, or products or services through supply chains or business partners. In our due diligence assessments, we identify, evaluate, and address risks in a manner that matches the scale, nature, and context of our business, as well as the specific circumstances of our enterprise. This means that our approach is customized and adjusted according to these factors. Furthermore, our assessments are driven by risks levels (high, medium, low), ensuring that we prioritize efforts based on the severity and probability of adverse impacts on human rights and decent working conditions.

### 2 ASSESSMENT CRITERIA

#### 2.1 Description of our business

Carnegie is an investment firm authorised to provide investment services and related services pursuant to the Norwegian Securities Trading Act and is subject to supervision by the Financial Supervisory Authority of Norway. In addition to brokerage and facilitation services, Carnegie provides advice in connection with mergers and acquisitions (M&A), production and distribution of company and market research, as well as facilitation of real estate syndicates (project finance). Services are mainly provided to Nordic clients. Carnegie Business Management AS, is a wholly owned subsidiary of Carnegie (hereinafter also referred to as Carnegie,

<sup>1</sup> Fundamental human rights are the internationally recognised human rights that follow from, among other things, the UN Covenant on Economic, Social and Cultural Rights from 1966, the UN Covenant on Civil and Political Rights from 1966 and the ILO's core conventions that cover a wide area of social and labour issues including human rights, minimum wages, industrial relations, employment policy, social dialogue, social security and other issues.

<sup>2</sup> Decent working conditions mean work that safeguards fundamental human rights, as well as health, safety and the environment in the workplace, and that provides a living wage.

<sup>3</sup> Click [here](#) for link to the guidelines.



where appropriate), and provides management services and accounting services to Norwegian real estate companies.

As of June 1, 2024, Carnegie has 98 full-time employees. Carnegie is part of a group and is structured as a wholly owned subsidiary of the Swedish investment bank, Carnegie Investment Bank AB, (the **Group**).

The Group has implemented various policies and procedures, including a Policy on Business Conduct and Ethics (which encompasses areas such as anti-bribery and corruption, workplace standards, sustainability practices, and conflict of interest management). Furthermore, the Group has implemented a whistleblowing service that allows employees to report misconduct, ensuring alignment with our company values and policies, such as ethical business principles. This system serves as an early warning mechanism to mitigate risks, maintain corporate governance standards, and uphold trust among clients and the public in our business. Additionally, Carnegie has devised a local Norwegian policy detailing adherence to the Transparency Act, encompassing procedures such as supplier due diligence and monitoring measures.

Further information about Carnegie's business, as well as sustainability-related topics, can be found in our Annual Report for 2023, which is available [here](#).

## 2.2 Assessment topic according to the Transparency Act

Even though the inherent risk generally is considered low, it is assumed that Carnegie may be associated with the risk of actual and potential negative consequences for fundamental human rights and decent working conditions in two respects:

- *Through own business: By providing investment services, such as facilitation services and investment advice, to clients.*
- *Through supply chains and business partners: Where Carnegie enters into agreements with various suppliers, subcontractors or business partners who supply goods, products, or services directly to Carnegie or who are part of Carnegie's provision of services to clients.*

We will conduct further investigations where the risk of violations of international guidelines and standards for fundamental human rights and decent working conditions is deemed to be elevated. In our assessment, we take into account, among other things, the following factors:

- *Industry:* Do clients, suppliers, subcontractors, or business partners operate in an industry characterized by known vulnerabilities or significant risks related to compliance with fundamental human rights or decent working conditions?
- *Business:* Do clients, suppliers, subcontractors, or business partners engage in activities that involve a particularly risky production process (e.g., where we purchase goods or services from third parties)?
- *Geography:* Are clients, suppliers, subcontractors, or business partners located or operating primarily in a jurisdiction with known vulnerabilities in terms of governance, rule of law, corruption, and extensive human rights challenges?



### 3 ASSESSMENT OF OWN BUSINESS – OUR SERVICES

#### 3.1 Identification of the risks

Through our activities, we facilitate a well-functioning financial market and efficient capital allocation by offering regulated services and activities aligned with harmonized EU rules (such as MiFID II, sustainability regulations, etc.). Operating within a tightly regulated environment with robust social infrastructure, we benefit from the stability and transparency of our geographic region. Stringent anti-corruption laws and robust legal frameworks ensure fair competition and protect the rights of businesses and investors. Generally, our activities are not typically associated with direct risks that could negatively impact fundamental human rights and decent working conditions.

Many of our services, especially those pertaining to the securities segment of our operations (such as receiving and transmitting orders, executing orders on behalf of clients, and providing investment advice), are deemed to have minimal direct involvement in financing clients who either have or present a significant risk of negatively impacting fundamental human rights and decent working conditions.

This is partly due to the fact that most brokerage activity takes place in financial instruments listed on regulated marketplaces in the Nordic region. In these markets, issuers are required to comply with various standards and guidelines regarding decent working conditions and human rights. Furthermore, many Norwegian issuers are bound by the Transparency Act, which mandates them to conduct due diligence assessments and adhere to legal requirements.

After assessing our business, we recognize that the main risk within our business operations arises when our services facilitate the flow of capital to legal entities whose activities may potentially impact fundamental human rights and decent working conditions negatively. An example of such risk is where Carnegie, through our Investment Banking activities, acts as a facilitator for the issuance of new capital in the primary market (i.e., Equity Capital Markets (ECM) and Debt Capital Markets transactions (DCM)).<sup>4</sup> Consequently, risk-based measures have been implemented concerning our execution of such facilitation assignments, as detailed below.

#### 3.2 Description of measures

The question of whether there is a risk of a breach of relevant international guidelines and standards associated with Carnegie's business, including the services provided, is assessed by our Legal department, and where relevant, in consultation with the relevant person(s) responsible for the client within our deal team where the risk is linked to a specific client relationship. Client assessments are conducted as part of our Know Your Customer (KYC) measures (when onboarding new clients or when conducting ongoing due diligence of existing clients), in compliance with the Norwegian Act relating to Measures to Combat Money Laundering and Terrorist Financing. If the KYC or known circumstances surrounding the client should indicate that the client relationship constitutes an increased risk, the establishment or continuation of the client relationship requires approval from Carnegie's CEO and further investigations in line with our internal routines.

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<sup>4</sup> For example, where Carnegie acts as a facilitator of an issue for an issuer that holds a significant part of its business in a high-risk/known violation of internationally recognised rules and norms for corruption.



Carnegie has developed internal procedures and implemented special measures to reduce the risk that facilitation assignments either cause or contribute to negative consequences for fundamental human rights and decent working conditions:

- i. Specific questions are included in the KYC routine for onboarding new clients where the nature of the business or geographical affiliation entails an increased risk of violation of international guidelines/standards for fundamental human rights and decent working conditions. When deciding to establish a client relationship with a client where an increased risk of negative consequences has been identified, the client relationship must be specifically approved by the CEO, and the Business Head and Head of Legal shall be involved. Cases involving elevated risk must also be reported to Carnegie's Board of Directors at least annually. Based on the specific risk that has been identified, it will be discussed whether it is possible to establish the client relationship or continue to assist with the project, or whether the risk can be managed, and investors can be provided with information about the risk that has been identified.
- ii. Where the risk of a breach is deemed to exist, due to the nature of the business or geographical connection, it will be considered to include additional questions to the client in the KYC/due diligence, to further uncover the client's compliance with fundamental human rights and decent working conditions, and whether the client has procedures in place to reduce the risk of negative consequences.
- iii. When carrying out transactions where Investment Banking acts as a facilitator in the issuance of equity/debt in the primary market, the client certifies, through a "Completeness Statement", that the client has implemented adequate procedures to reduce the risk of adverse consequences related to fundamental human rights and decent working conditions. The requirement for such confirmation is included in the industry standard for "Completeness Statement". The "Completeness Statement" is signed by the client's representatives prior to launching the transaction in the market.

### 3.3 Identified risks

Below is a summary of implemented measures and findings.

Measures related to own business and services offered	Number/Findings (June 23 - June 24)
Number of due diligence assessments/KYC that have resulted in further investigations in accordance with the Transparency Act and	No cases uncovered that have necessitated further measures
Industry standard for "Completeness Statement" used (applies to facilitation services only)	10
Identified situations involving an increased risk that we, through our business, causes or contributes to negative consequences for fundamental human rights and decent working conditions that has required a special decision	None

Based on the due diligence assessments conducted over the past year, we have not found evidence that our activities contribute to negative consequences for fundamental human rights and decent working conditions.

## 4 ASSESSMENT OF SUPPLY CHAINS AND BUSINESS PARTNERS



## 4.1 Description of risk

We map and assess actual and potential negative consequences for fundamental human rights and decent working conditions directly related to Carnegie's supply chain<sup>5</sup> and business partners<sup>6</sup>.

When assessing risk, the OECD highlights forced labour, wage discrimination, gender-based violence or harassment, lack of involvement of affected indigenous groups, reprisals against critical voices from civil society and human rights defenders, access to clean water and the right to privacy as examples of human rights where actors in the business sector can have a negative impact.

In total, Carnegie has a contractual relationship with close to 50 suppliers and business partners. As an office-based business who only provides services to our clients, we do not have many suppliers of goods. Therefore, our engagement with third-party service providers primarily revolves around contractual relationships with suppliers of IT systems, including settlement/trading systems, accounting and auditing systems, and platforms facilitating access to relevant information and communication within the capital market.

The majority of our suppliers and business partners are reputable and well-established service providers, primarily based in Norway, other Nordic countries, or within the EU/EEA, either through their headquarters or through local branches. Our suppliers are primarily large enterprises that must adhere to numerous legal requirements, e.g., the Transparency Act or other relevant sustainability regulations, and uphold high ethical standards across environmental, social, and governance aspects. They are expected to maintain transparency regarding these standards, for example, on their websites or through similar means. Additionally, they are required to integrate relevant safeguards or provisions applicable to their operations. This (i) facilitates our assessment of whether the requirements of the Transparency Act are being met and (ii) minimizes the risk of adverse impacts on fundamental human rights and decent working conditions within our supply chain.

## 4.2 Description of measures

We have implemented several measures to reduce the risk of either causing or contributing to negative consequences for fundamental human rights and decent working conditions in connection with entering into agreements with third parties (suppliers and business partners). These measures include:

- i. When entering into third-party agreements, the internal initiator must always make a concrete and written assessment of whether the agreement will entail a risk that Carnegie will cause or contribute to negative consequences for fundamental human rights and decent working conditions.
- ii. If the assessment as mentioned above concludes that there is a risk of negative consequences for fundamental human rights and decent working conditions, an individual risk assessment shall be carried out of the relevant supplier/business partners (using our standard form for such assessments). When deciding whether to enter into an agreement with suppliers/maintain existing contractual relationships, where an increased risk of negative consequences has been identified, the agreement must be approved separately by our CEO, and the Business Head and

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<sup>5</sup> The Transparency Act § 3 (d)

<sup>6</sup> The Transparency Act § 3 (e)



Head of Legal shall be involved. Cases involving elevated risk must also be reported to Carnegie's Board of Directors.

### 4.3 Identified risks

#### 4.3.1 Agreements entered into *before* the entry into force of the Transparency Act:

In connection with the entry into force of the Transparency Act on 1 July 2022, it was mapped and assessed whether any of Carnegie's existing suppliers or business partners represent a risk of negative consequences for fundamental human rights and decent working conditions. The result of the assessment was that no actual and potential negative consequences were identified.

The survey revealed that our suppliers and business partners located in countries within the EU/EEA have legislation in place to safeguard fundamental human rights and ensure decent working conditions. Two suppliers were identified for further investigation because their production sites are located in countries that represent a higher risk.

Special measures were implemented for these suppliers, including annual assessments (to consider any change in risk exposure). The annual assessments for 2023/2024 have revealed no significant risk of actual or potential adverse consequences. This is particularly notable because these are global suppliers with headquarters and decision-making authority located in low-risk countries, where internal policies and systems are in place to ensure compliance with fundamental human rights and decent working conditions.

In addition to the two suppliers mentioned above, we have conducted further investigations for two more of our existing suppliers in 2023/2024, including: (i) the supplier from whom we purchase company merchandise; and (ii) one of our IT suppliers providing internet-based applications for recruitment and related activities. Supplier (i) was selected for further scrutiny because we want a deeper understanding of the production processes and origins of the merchandise we purchase. Supplier (ii) was chosen due to the higher perceived risks associated with its cross-border operations. The further investigations have not revealed any significant risks of actual or potential adverse consequences.

#### 4.3.2 Agreements entered into *after* the entry into force of the Transparency Act:

We map and assess actual and potential negative consequences for fundamental human rights and decent working conditions when entering into agreements with new suppliers and business partners.

Below is a summary of the assessments made during the past year:

<b>Measures related to suppliers/business partners</b>	<b>Number (June 23 – June 24)</b>
The form for third-party agreements has been completed in accordance with Carnegie's internal procedure for entering into agreements	Conducted for all new third-party agreements
Findings from the completion and answering of questions in the form for third-party agreements have led to further investigations	None



Situations where an increased risk that Carnegie has caused or contributed to negative consequences for fundamental human rights and decent working conditions has required a special decision	None
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Based on due diligence assessments conducted since the previous statement published in 2023, no evidence has been found that Carnegie's suppliers or business partners contribute to negative consequences for fundamental human rights and decent working conditions.

\* \* \* \* \*

Oslo, 13 June 2024

Signature: electronically signed

Björn Jansson  
Chairperson of the board

Signature: electronically signed

Mai-Lill Ibsen  
Board member

Signature: electronically signed

Anders Antas  
Board member

Signature: electronically signed

Christian Begby  
CEO

